

PROPOSED CHARGING LETTER

Fuchs Electronics, Pty. Ltd

The Office of Defense Trade Controls, Bureau of Political-Military Affairs, United States Department of State (the "Department") charges that Fuchs Electronics, Pty. Ltd., (hereinafter referred to as "Fuchs"), has violated Section 38 of the Arms Export Control Act (the "Act") and its implementing regulations, the International Traffic in Arms Regulations (22 C.F.R. Parts 120 et. seq.) as set forth below.

Essential Facts:

On or about the dates set forth below, Fuchs did knowingly and willfully export, and aid and abet in the exportation, from the United States to the Republic of South Africa, of defense articles, that is, PS-115 power supplies for proximity fuzes, which were designated as defense articles on the United States Munitions Control List, without having first obtained from the Department of State a license or written authorization for such export. Each shipment constitutes a separate charge:

<u>Charge</u>	<u>Approximate Date</u>	<u>Approximate Quantity</u>
1	11/7/86	10,000
2	2/13/87	10,000
3	4/24/87	10,000
4	7/2/87	10,000
5	8/14/87	10,000
6	2/5/88	10,000
7	3/11/88	10,000
8	4/9/88	10,000
9	5/13/88	10,000
10	6/2/88	10,000
11	6/24/88	20,000
		<hr/> 120,000

The Department alleges that Fuchs committed a total of eleven (11) violations, each of which involves U.S. origin defense articles controlled by the Department under Section 38 of the Act and involves Sections 121, 123 and 127.

Accordingly, Fuchs is hereby notified that an administrative proceeding is instituted against it pursuant to Section 38(e) of the Act and Section 128.3 of the Regulations for the purpose of obtaining an order imposing administrative sanctions, including a period of debarment and the imposition of the maximum civil penalty allowed by Section 38(e) of the Act of \$500,000.00 for each violation, for a total of \$5.5 million.

Fuchs is notified that it is required to answer the charges contained herein within 30 days of the service as provided in 22 C.F.R. §128.5. Fuchs' failure to answer the charges will be taken as an admission of the truth of the charges and may be treated as a default under 22 C.F.R. §128.4.

Fuchs is further notified that it is entitled to an oral agency hearing on the record, as provided in Section 128.8 of the Regulations, if a written demand for one is filed with its answer, or within 7 (seven) days after service of the answer. Fuchs may if so desired, be represented by counsel, and may seek a consent agreement with the concurrence of the Office of Defense Trade Controls as provided under 22 C.F.R. §128.11

Fuchs' answer, written demand for oral hearing (if any), and supporting evidence required by 22 C.F.R. §128.5(b) shall be in duplicate and mailed or delivered to the Office of Administrative Law Judge, United States Department of Commerce, Room H-6716, 14th Street and Constitution Avenue, NW., Washington, DC 20230. A copy shall be simultaneously mailed to the Director, Office of Defense Trade Controls, SA-6, Room 200, Department of State, Washington, DC 20522-0602, or delivered to the 21st Street entrance of the Department of State, 2201 C Street, NW, Washington, D.C. addressed to Director, Office of Defense Trade Controls, SA-6, Room 200, Department of State, Washington, DC 20522-0602.

This charging letter may be amended from time to time upon reasonable notice.

Sincerely,

William J. Lowell
Director